

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 INRE-00 NSCE-00 USIE-00

CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 RSC-01 PRS-01

SP-02 AID-05 EB-07 NSC-05 CIEP-01 TRSE-00 SS-15

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TO SECSTATE WASHDC IMMEDIATE 5232

INFO AMEMBASSY ASUNCION

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY LIMA

AMEMBASSY SANTIAGO

USCINCSO

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E.O. 11652: N/A

TAGS: PINT, PGOV, PFOR, EGEN, ECON

SUBJ: PRESIDENT BANZER'S SPEECH TO THE NATION

1. SUMMARY: PRESIDENT BANZER'S YEAR END SPEECH TO THE BOLIVIAN NATION ON DECEMBER 31 PROVIDED HIS MOST COMPLETE EXPLANATION TO DATE OF THE POLITICAL AND ECONOMIC PHILOSOPHY UNDERLYING THE GOB'S "NEW ORDER" IN DOMESTIC AFFAIRS. BANZER PROMISED A MAJOR RESTRUCTURING OF THE COUNTRY'S POLITICAL INSTITUTIONS, TO INCLUDE NEW, MORE BROADLY-BASED POLITICAL PARTIES AND A REFORMED, DEPOLITICIZED UNION MOVEMENT. IN THE AREA OF ECONOMIC POLICY, THE PRESIDENT OUTLINED A SOMEWHAT VAGUE SERIES OF PRIORITIES, REASSURED PRIVATE BUSINESS ABOUT THE GOB'S INTENTIONS TOWARD THAT SECTOR, AND HINTED AT A FORTH-COMING WAGE INCREASE PACKAGE FOR WORKERS. BANZER CONCLUDED

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HIS SPEECH WITH AN EMOTIONAL APPEAL TO THE BOLIVIAN PEOPLE

TO HELP HIM, AND THE ARMED FORCES, TO BRING ABOUT A
"MORAL REVOLUTION" IN BOLIVIAN NATIONAL LIFE. END SUMMARY.

2. DEPARTING FROM THE USUAL FORMAT OF PRESIDENTIAL NEW YEAR'S
EVE SPEECHES, PRESIDENT BANZER'S SPEECH TO THE NATION ON
DECEMBER 31, 1974 CONTAINED AN EXPOSITION OF HIS PHILOSOPHY
OF GOVERNMENT RATHER THAN A DETAILED RECITAL OF THE GOVERNMENT'S
ACHIEVEMENTS OVER THE PREVIOUS YEAR. BANZER COMMENCED HIS
SPEECH WITH A CLAIM THAT HE HAS GIVEN BOLIVIANS A "CLIMATE
OF PEACE, WORK AND ORDER". HE INVITED HIS FELLOW CITIZENS TO
COMPARE CONDITIONS WITHIN BOLIVIA WITH THOSE EXISTING ELSE-
WHERE IN THE WORLD, WHERE HE CITED SUCH PHENOMENA AS THE
FOOD AND ENERGY SHORTAGES, INFLATION AND WIDESPREAD,
ENDEMIC VIOLENCE.

3. IN THE MAIN BODY OF HIS SPEECH, THE PRESIDENT DESCRIBED
BOLIVIA'S UNDERDEVELOPED STATUS IN THE FIELDS OF POLITICS,
ECONOMY AND SOCIAL CONDITIONS, WHILE OUTLINING THE "DOCTRINAL
CONTENT" OF THE BANZER GOVERNMENTS'S "NEW ORDER" IN THESE
AREAS OF NATIONAL LIFE. WITH REGARD TO INTERNAL POLITICS,
BANZER EMPHASIZED HIS BELIEF THAT THE EXCESSIVE IMPORTANCE
GIVEN TO THE "POLITICAL FACTOR" IN BOLIVIA'S HISTORY HAS
BEEN A PRIME DETERMINANT OF THE COUNTRY'S POVERTY AND BACK-
WARDNESS. AMONG THE ENDEMIC ILLS CITED BY THE PRESIDENT WERE
"OUTDATED STRUCTURES", "INSTABILITY" AND THE DESIRE TO
OBTAIN POWER SOLELY FOR SELF-ENRICHMENT, FAME OR THE PROTEC-
TION OF ENTRENCHED PRIVILEGE. IN RESPONSE TO THIS SITUATION,
BANZER CALLED FOR A "POLITICS OF CHANGE", WHICH WOULD APPLY
MORE RATIONAL AND SCIENTIFIC CRITERIA TO THE RESOLUTION OF
NATIONAL POLITICAL ISSUES. THE PRESIDENT ALSO HASTENED TO
REASSURE THE POLITICAL PARTIES THAT THEIR CURRENT STATE OF
RECESS IS ONLY A BRIEF "PARENTHESIS" IN BOLIVIAN NATIONAL
LIFE, DURING WHICH TIME THE EXISTING POLITICAL FORCES IN
THE COUNTRY CAN BE REORDERED SO AS TO PROVIDE FOR THE FOR-
MATION OF A FEW, LARGE GROUPINGS WHICH CAN ADEQUATELY
REPRESENT THE DISTINCT POLITICAL CURRENTS WITHIN BOLIVIA.
ON THE EQUALLY DELICATE SUBJECT OF LABOR UNIONISM, BANZER
ALSO SOUGHT TO BLAME THE PAST EXCESSES OF UNION LEADERS AND
THEIR FOLLOWERS FOR THE PRESENT RECESS IN UNION ACTIVITY.
HE MADE CLEAR THE GOB'S INTENTION TO REMOVE MANY OLDER-
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GENERATION UNIONISTS FROM OFFICE WHILE ASSURING THAT UNIONS,
IN THE FUTURE, WILL NOT ENGAGE IN PARTISAN POLITICAL
ACTIVITIES.

4. IN THE ECONOMIC PORTIONS OF HIS TALK, BANZER'S MAJOR
THEME WAS THAT PLANNING IS THE KEY TO DEVELOPMENT. HE STATED
"WE WILL USE COORDINATED PLANNING TO DEFINE OBJECTIVES,
TO COMBINE FACTORS, TO ASSIGN RESOURCES AND RESPONSIBILITIES,

TO PERFECT THE FUNCTIONING OF NATIONAL INSTITUTIONS AND
TO SYNCHRONIZE ACTIVITIES OF PRIVATE, PUBLIC AND COOPERATIVE
SECTORS WITHIN A GREAT NATIONAL UNDERTAKING".

5. BANZER SET DOWN THREE ECONOMIC PRINCIPLES OR GOALS:

(1) TO INCREASE WEALTH RAPIDLY.

(2) MAKE BOLIVIAN RICHES SERVE BOLIVIANS.

(3) TO ACHIEVE A JUST DISTRIBUTION OF WEALTH.

HE ADDED THE IMMEDIATE ASSURANCE THAT THE GOVERNMENT DID NOT
INTEND TO IMPOVERISH ALL BY LEVELING DOWN INCOMES TO THE
LOWEST LEVEL. "THE MODEL" HE NOTED LATER "IS TO CONSTRUCT BASES
FOR A JUST SOCIETY IN WHICH THE HEAVIEST LOAD FALLS ON THE
WIDEST SHOULDERS AND EACH MAN IS REWARDED PROPORTIONATE TO
HIS EFFORTS".

6. BANZER SPOKE CALMING WORDS TO THE PRIVATE SECTOR
STATING THAT THERE SHOULD BE NO PUBLIC-PRIVATE ANTAGONISM
BUT ASSERTED THAT PRIVATE ENTERPRISE SHOULD IDENTIFY WITH
NATIONAL OBJECTIVES. HE GAVE A MILD WARNING THAT BUSINESSMEN
WHO BUILD UP GREAT FORTUNES OR SEND PROFITS ABROAD WILL
NOT RECEIVE STATE PROTECTION. THE GOVERNMENT WILL, HOWEVER,
ACT AS A PROMOTOR OF PRODUCTIVE INVESTMENT GIVING SPECIAL
TREATMENT TO THREE (RATHER VAGUE) PRIORITIES:

(1) SECTORS REQUIRING MORE INDEPENDENT DEVELOPMENT.

(2) SECTORS CAPABLE OF RAPID PROFITABILITY, AND

(3) SECTORS WITH LARGE DOMESTIC OR FOREIGN MARKETS.

7. BECAUSE INTERNAL SAVINGS ARE INSUFFICIENT BANZER INFORMED
HIS LISTENERS THAT THE COUNTRY MUST SEEK FOREIGN FINANCING
AND TECHNOLOGY. MEANWHILE THE GOB WILL DIVERSIFY FOREIGN
TRADE LOOKING FOR THE BEST MARKETS FOR BOTH PURCHASE AND
SALE WHILE INCREASING VALUE ADDED IN EXPORTS AS RAPIDLY AS
POSSIBLE. THE GOB WILL CONTINUE TO SUPPORT PARTICIPATION IN
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LAFTA AND ANDEAN INTEGRATION MOVEMENTS AS THE BEST MEANS FOR
THE SMALL POWERS TO COMPETE WITH THE GREAT.

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INFO AMEMBASSY ASUNCION

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY LIMA

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8. BANZER ALSO STIRRED EXPECTATIONS BY STATING THAT THE GOB IS STUDYING THE BEST WAY OF INCREASING WORKERS COMPENSATION WITHOUT UPSETTING THE ECONOMY'S EQUILIBRIUM AND GENERATING INFLATION. HE NOTED THAT, ASIDE FROM RAISING SALARIES, BUYING POWER COULD BE INCREASED BY INCREASING THE SUPPLY OF ESSENTIAL GOODS, CITING GOVERNMENT EFFORTS TO INCREASE AVAILABLE HOUSING , MEDICAL, TRANSPORTATION AND EDUCATION SERVICES. HE MENTIONED HIS INTEREST IN CREATING WORKER PARTICIPATION IN COMPANIES BUT SAID SUCH PROPOSALS WILL BE MADE ONLY AFTER CAREFUL STUDY.

9. WITHIN THE REALM OF SOCIAL POLICY, BANZER EXPRESSED PARTICULAR CONCERN FOR THE WELL-BEING OF WORKERS AND CAMPESINOS. AMONG OTHER AREAS OF POLICY CONCERN, HE SPECIFICALLY DEDICATED HIMSELF TO A THOROUGHGOING REVISION OF THE 1953 LIMITED OFFICIAL USE

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AGRARIAN REFORM LAW (HIS PRIMARY CONCERN BEING TO INCREASE THE SIZE OF MINIFUNDIA ON THE ALTIPLANO), AS WELL AS TO A POLICY OF ENSURING EQUAL TREATMENT FOR WOMEN IN BOLIVIAN SOCIETY. IN ADDITION, THE PRESIDENT MADE A CLEAR PLEDGE TO RESPECT FREEDOM OF THE PRESS WITHIN THE COUNTRY. IN HIS CONCLUDING REMARKS, BANZER ASSURED HIS NATIONWIDE TELEVISION AUDIENCE THAT HE IS PERSONALLY COMMITTED TO A "MORAL

REVOLUTION" IN BOLIVIAN NATIONAL LIFE, WHICH WILL CREATE A NEW SOCIETY BASED UPON FUNDAMENTAL CHANGES IN THE POLITICAL, ECONOMIC AND SOCIAL STRUCTURES OF THE COUNTRY.

10. COMMENT: PRESIDENT BANZER'S SPEECH PROVIDES THE MOST COMPLETE EXPOSITION TO DATE OF THE POLITICAL AND ECONOMIC PHILOSOPHY UNDERLYING THE GOB'S "NEW ORDER", WHICH WAS SO DRAMATICALLY INTRODUCED BY THE PRESENT GOVERNMENT ON NOVEMBER 9, 1974. ALTHOUGH CONTAINING NO SURPRISES, THE SPEECH BRINGS TOGETHER THE VARIOUS STRANDS OF OFFICIAL POLICY WHICH HAVE BECOME EVIDENT OVER THE FIRST TWO MONTHS OF THE NEW SCHEME OF GOVERNMENT. IT SHOULD ALSO BE NOTED THAT BANZER PROMISED, EARLY IN HIS SPEECH, TO PROVIDE THE NATION WITH A FULL SUMMARY OF HIS GOVERNMENT'S ACHIEVEMENTS IN OFFICE ON BOLIVIA NEXT NATIONAL DAY, I.E., ON AUGUST 6, 1975. THIS COMMENT IS BUT PART OF A GROWING BODY OF EVIDENCE THAT BANZER IS NOT CURRENTLY CONSIDERING A HANDOVER OF POWER TO A SUCCESSOR APPOINTED BY HIMSELF, BUT RATHER INTENDS TO CONTINUE GOVERNING BOLIVIA UNTIL HIS "NEW ORDER" IS WELL ESTABLISHED WITHIN THE COUNTRY. END COMMENT.
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